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TAGS: [MARR](#) [OVIP](#) [PGOV](#) [PREL](#) [JA](#)
SUBJECT: ADMIRAL FALLON'S MEETING WITH CHIEF CABINET
SECRETARY ABE SHINZO

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Classified By: DCM Joseph Donovan, Reasons 1.4 b/d

¶1. (C) Summary: PACOM Commander Admiral William Fallon told Cabinet Secretary Abe Shinzo on August 24, that US-Japan relations had grown stronger since his visit in 2001 and that this was a welcome development. Abe, responding to Admiral Fallon's questions, outlined his views of China-Japan relations and the situation on the Korean peninsula:

-- Abe, asserting that Japan-PRC relations have not changed much during the five years of PM Koizumi's administration, observed the PRC is caught in a contradiction. The Chinese Communist Party needs Japan as an economic partner to maintain China's growth and, at the same time, uses nationalism)- and attendant anti-Japanese sentiment -- to shore up the Communist Party's legitimacy. Abe said solving the Yasukuni visit problem would not improve overall relations as long as this underlying "structural" contradiction remains. That said, Abe affirmed he would continue efforts to expand dialogue with China.

-- Turning briefly to North Korea, Abe said China and South Korea have the most influence over North Korea and should engage with the North Koreans to make them deal with issues "seriously." Abe declared that both China and South Korea should "understand the need to take the risk of allowing the Kim Jong-il regime to become unstable." See ending comments.
End Summary.

¶2. (C) PACOM Commander Admiral William Fallon met with Chief Cabinet Secretary Abe Shinzo on August 24, at the Prime Minister's offices for a 30 minute discussion. Abe's willingness to go well over the scheduled time was a strong indication of his interest in building on PM Koizumi's record of maintaining close personal contacts with senior US officials. Admiral Fallon told CCS Abe that US-Japan relations had grown stronger since his visit in 2001 in the wake of the accidental sinking of the Ehime Maru training ship by a US submarine. Admiral Fallon said in his travels though the region a recurring theme has been interest in the future of the US-Japan defense relationship. In his recent

visit to China, he had worked to correct misperceptions of the alliance and to explain the positive impact it has had on regional stability.

13. (C) Abe agreed that US-Japan relations were in very good shape, noting his appreciation for the close US-Japan collaboration following the DPRK missile launches and at the United Nations to secure passage of UNSC Resolution 1695. According to Abe, polls show 80% of the Japanese people support resolution 1695; a level of support that is seldom seen and which, he added, reconfirms the importance of the US-Japan alliance.

Relations with China: Not good, not worse,
unlikely to get better

14. (C) Responding to a question from Admiral Fallon, Abe allowed that Japan's relations with the PRC were not good, pointing out that there have been no recent summit meetings between leaders. Nevertheless, Abe continued, during the five years of the Koizumi administration relations with China have "not worsened that much." Bilateral trade, for example has doubled. In addition, Japanese investments in China have risen 18 percent at the same time worldwide investment flows into the PRC have dropped by 5 percent.

15. (C) Abe said that China is careful not to allow relations with Japan to deteriorate to the point where economic relations would be significantly affected. He observed that at the same time the PRC was refusing to hold summit meetings as long as the PM continues to visit the Yasukuni shrine, they were taking a softer line on a range of Cabinet and lower-level contacts. Abe explained that he believes China wants to continue contacts with Japan to avoid putting damage trade and investment links. Abe offered that he tries to meet with all the visitors from China who want to meet with him. He stressed, however, that Japan cannot accept "a diplomatic policy that demands (just) one thing and makes summit meetings a hostage to that demand."

16. (C) Making broad, historical points and laying out his view of Chinese domestic politics, Abe argued the atmospherics of relations between Japan and China would improve somewhat if the Yasukuni issue were solved. However, the prospects for the relationship are limited by the fact China "is a communist country" with a "structural problem," he continued. According to Abe, the "two pillars" of Communist Party control are:

-- (1) high rates of economic development and rising living standards achieved under a market economy, which has created a society which has "abandoned equality (and) has great disparities;" and,

-- (2) "patriotic education" centered on an anti-Japanese message. "Patriotic education" highlights the role of the Chinese Communist Party in winning the war against Japan and portrays Japan as a country that is still dangerous at present.

17. (C) "They are using anti-Japanese sentiment to divert anti-party feeling," Abe declared. Abe added that the many anti-Japanese memorials in China are additional evidence of this tactic. Admiral Fallon agreed, observing that China keeps the Japan card as an option to mobilize nationalism and popular support.

18. (C) Concluding his observations on China, Abe said solving the Yasukuni problem would not resolve the underlying "structural" contradiction and the "paradox" of needing to court Japan on the one hand in order to grow their economy while remaining hostile on the other to maintain political control through appeals to anti-Japanese sentiment remained. Abe noted that the tensions in the PRC policy and the party's fear of losing control could be seen in recent developments. For example, anti-Japanese websites in China had been shut

down in the run-up to August 15, when PM Koizumi was expected to visit Yasukuni. Abe theorized that the Chinese government was concerned both about loss of Japanese investments and a longer term fear that anti-Japanese demonstrations, if left unchecked, could create conditions that might result in anti-government demonstrations. Abe emphasized that he wants to continue efforts to expand dialog with China, stressing that in the context of Japan-China relations the Japan-US relationship is very important.

¶9. (C) Admiral Fallon, suggested that the PRC's interest in stability in the run-up to the 2008 Olympics in Beijing, may present an opportunity to improve relations with Beijing. He told Abe that the U.S. is interested in restoring some basic military-to-military ties as well as engaging constructively on regional issues like North Korea. He asked Abe for his ideas on how best to get China more actively involved in solving North Korean issues.

China and South Korea: Accept risk of allowing
the DPRK to become unstable

¶10. (C) Abe replied that China and South Korea have the most influence on the DPRK. It is important that they engage with the North Koreans to get them to deal with problems seriously, he said. In conclusion, Abe stated that both China and South Korea should "understand the need to take the risk of allowing the Kim Jong-il regime to become unstable.⁸

(COMMENT: Although, Abe did not elaborate on this brief concluding comment, the implication was that those two countries should be prepared to use their economic ties and assistance programs as leverage to induce the North to modify its behavior. Embassy will seek clarification. END COMMENT).

¶11. (U) Admiral Fallon has cleared on this message.
SCHIEFFER